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IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

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THE MAGNAVOX COMPANY, a Corporation, and SANDERS ASSOCIATES, INC., a Corporation,

Plaintiffs;

Consolidated

Civil Action Nos. 74 C 1030

74 C 2510

-V8-

BALLY MANUFACTURING CORPORATION, a Corporation, CHICAGO DYNAMIC INDUSTRIES, INC., a Corporation, EMPIRE DISTRIBUTING, INC., a Corporation, MIDWAY MFG. CO., a Corporation, SEEBURG INDUSTRIES, INC., a Corporation, THE SEEBURG CORPORATION OF DELAWARE, a Corporation, WILLIAMS ELECTRONICS, INC., a Corporation, and WORLD WIDE DISTRIBUTORS, INC., a Corporation,

Defendants.

The deposition of JERRY C. KOCI, called by the plaintiffs for examination, pursuant to the Rules of Civil Procedure for the United States

District Courts pertaining to the taking of depositions for the purpose of discovery, taken before

Diane E. Norris, a notary public within and for the County of Cook and State of Illinois, at 77 West

Washington Street, Suite 2000, Chicago, Illinois, on the 28th day of May, A.D., 1975, commencing at the hour of 10:00 o'clock a.m.

1 APPEARANCES: 2 Mr. Theodore W. Anderson, and Mr. James Williams 3 (Neuman, Williams, Anderson & Olson) 77 West Washington Street 4 Chicago, Illinois 60602 5 and 6 Mr. William Streeter. Corporate Patent Counsel 7 (The Magnavox Company) Fort Wayne. Indiana 46804 8 appeared on behalf of the Plaintiffs; 9 Mr. Donald L. Welsh M. GOLDING AND ASSOCIATES, CHICAGO (Fitch, Even, Tabin & Luedeka) 10 135 South LaSalle Street Chicago, Illinois 60603 11 appeared on behalf of Defendants Bally Manufacturing Corporation, 12 Empire Distributing, Inc., and Midway Manufacturing Co.; 13 Mr. Edward C. Threedy 14 (Threedy & Threedy) 111 West Washington Street Chicago, Illinois 60602 15 appeared on behalf of Defendant 16 Chicago Dynamic Industries. Inc.; 17 Mr. Melvin M. Goldenberg (McDougall, Hersh & Scott) 18 135 South LaSalle Street Chicago, Illinois 60603 appeared on behalf of Defendants 19 Seeburg Industries, Inc., The Seeburg Corporation of Delaware, Williams 20 Electronics, Inc., and World Wide 21 Distributors, Inc. 22 Also Present: 23Mr. Wayne Koci 24

	1	<u>I N D E X</u>						
	2	WITNESS	XAMINATION					
	3 4	Jerry C. Koci						
	5	By Mr. Anderson	3					
	6	By Mr. Threedy	73					
	7	EXHIBITS						
g.	9	JERRY KOCI DEPOSITION EXHIBIT NUMBERS	IDENTIFIED					
LEON M. GOLDING AND ASSOCIATES, CHICAGO	10 11	1, Notice of taking deposition addressed to Chicago Dynamic Industries under Rule 30 B 6	26					
S AND ASSO	12	2, Brochure entitled "Chicago Coin's TV Pingame"	28					
M. GOLDING	13 14	3, Brochure entitled "Chicago Coin TV Pingame Parts Catalog"	29					
LEON	15 16	4, Booklet, "TV Pingame Model 451 Schematic"	35					
	17	5, Blueprint pages, \$451 TV Pingame, and comprising Pages Al and 1 through 7	35					
	18 19	6, Brochure entitled "TV Goalee"	39					
	20	7, Book entitled "TV Goalee Model 431 Parts Catalog"	39					
	21	8, Circuit diagram entitled "TV Goale	ee" 39					
	22 23	9, Blueprints entitled "434 TV Goaled Page Nos. Al and 1 through 16	39					
	24	10, Document entitled "Olympic TV Hockey"	47					

INDEX (Continued) 1 2 JERRY KOCI DEPOSITION EXHIBIT NUMBERS IDENT IFIED 3 Booklet entitled "Olympic TV 11, Hockey, Olympic TV Football Parts Catalog" 47 5 12. Circuit diagram entitled 6 "Olympic TV Hockey, Olympic TV Football" 47 7 13, Pages entitled "429 Olympic TV Hockey," Pages Al and 1 through 13 47 9 LEON M. GOLDING AND ASSOCIATES, CHICAGO 53 Brochure entitled "TV Tennis" 14. 10 15. Book entitled "TV Tennis Model 427 Parts Catalog" 53 11 16, Circuit diagrameentitled" "IC 12 Board Schematic, Two- or Four-Player TV Tennis 53 13 17, Blueprints entitled "427, Two-or Four-Player TV Tennis," com-14 prising Pages Al, A3, 1, 1A and 15 53 2 through 12 16 18, Photograph of a machine bearing the label "TV Ping Pong" 59 17 19, Booklet entitled "TV Ping Pong 18 Model 424 Parts Catalog" 59 19 Circuit diagram entitled "IC 20. 59 Board Schematic TV Ping Pong" 20 21, Pages entitled "424 TV Ping Pong," 21 Pages A1, A3, 1, 2, 24 and 3 59 through 5 22 22, BBrochure entitled "TV Ping Pong" 59 2324

1	MR. ANDERSON: Would you swear the witness,
2	please?
3	(Witness duly sworn.)
4.	JERRY C. KOCI,
5	called as a witness herein, having been first duly
6	sworn, was examined and testified as follows:
7	EXAMINATION
8	By Mr. Anderson:
9	Q Will you please state your full name?
10	A Jerry C. Koci.
11 2	Q That's K-O-C-I?
1 12	A K-O-C-I.
13°	Q And J-E-R-Y?
14	A Right.
15-	Q Where do you reside?
16	A 219 East Lake Shore Drive, Tower Lake,
17	Barrington, Illinois.
18	Q By whom are you employed?
19	A Chicago Dynamic Industries.
20	Q What is your position with Chicago Dynamic
21	Industries?
22	A V. P. of engineering.
23	Q To whom do you report?
24	A The president, Mr. Samuel Gensburg.
	2 3 4. 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23

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	1	A Coin-operated amusement machines.
	2	Q Does the company have any other divisions?
	3	A We have an extinct division called Genco,
	4	which has been closed down.
	5	Q What was the nature of the Genco product
	6	line?
	7	A They also manufactured coin-operated amuse-
	8	ment machines.
900	9	Q When did Genco cease operating as a division?
LEON M. GOLDING AND ASSOCIATES, CHICAGO	10	A (No response.)
OCIATES	11	Q Prior to 1972?
ND ASS	12	A Oh, yes.
DING A	13	Q I don't think I'm interested in that.
X. G Q	14	A Twenty years, fifteen years, maybe.
LEON	15	Q What are the different types of coin-
	16	operated amusement machines made by Chicago Coin
	17	Machine?
	18	A I believe we have made about every type;
	19	namely
	20	Q What are you currently making at Chicago
	21	Coin?
	22	A We are currently making Flipper, Puck
	23	Bowler
	24	Q Puck Bowler?
	1	

four metal legs, a metal body and a back rack to it.

LEON M. GOLDING AND ASSOCIATES, CHICAGO

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MR. THREEDY: I think you said "image."

24

shooter to try and get the image into one of the two lanes.

Q Are those vertical lanes?

A Yes, they are.

Q And once he has elected one of the two lanes by releasing the shooter, what determines the path of the ball down the screen?

A Well, it simply depends on whether this image of a ball strikes a barrier, a target, so to speak; a bumper. It's deflected and continues across the face up and down and sideways.

Q Does it always remain in the one lane that the player released it in?

A No, it drops through the lane.

Q It goes from lane to lane also?

A No, just goes through the lane that you direct the ball into it. After that it, of course, drops from the lane and proceeds across the game surface.

Q What produces a score in the game of Super Flipper?

A Any object that's displayed on the CRT tube, after it is hit by the ball, does score, in denominations of ten or one hundred.

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THE WITNESS: You will relieve me.

MR. ANDERSON: I'm just trying to draw the line where your management and administrative expertise will end, and we can defer anything else to him later.

THE WITNESS: Right.

By Mr. Anderson:

Q With respect to lane sides, if the ball image appears to bounce against the side of a lane, what happens?

- A It scores and is deflected.
- Q It also bounces?
- A Right.
- And do you know, is the bounce off the lane side also -- or of the same nature as the bounce off of a bumper?
 - A Yes, sir.
- Q And as far as you know, is the angle that it bounces equal to the angle that it impacts?
- A In my opinion, although Wayne apparently disagrees.
- Q Now, it's called Super Flipper. Is there a flipper phenomenon in the game?
 - A Yes, there is.
 - Q And how does that work?

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A We have four flipper images on the face of the CRT. There are two on the left side of the screen and two on the right side.

To control these bars or flippers, we have two flipper buttons on the side of the outside of the cabinet which can be depressed by the player.

Depressing these buttons then, of course, moves these flipper bars inward toward the center of the CRT.

- Q Is the flipper bar on the display a vertical bar?
 - A Horizontal.
 - It's a horizontal bar?
- Right, approximately an inch, inch and a quarter in length.
- And the flipper bar, when a flipper button Q is depressed, moves horizontally inward toward the center of the screen?
 - Right. A
- Does it move in a step-like manner just to Q one inward position, or does the player control the position?
 - A Gradually by the player's control.
- So that if he pushes the button slightly, it moves a little bit?

without going off the bottom, or does it remain in play until it goes off the bottom?

A Funny you should ask that. That's one of the problems with the game. We do lose the ball half-way down, and that's where I got my gray hair.

- Q I see. It's not supposed to do that?
- A It's not supposed to do it.
- Q When the ball is intercepted by moving the flipper bar, does the ball bounce off at the opposite angle that it impacts with the flipper bar?
 - A Again, I believe it does.

Wayne, do you want to confirm that?

MR. WAYNE KOCI: I don't think they want to ask me direct questions. I don't think he wants me to answer at this point. I think he will catch me later.

MR. ANDERSON: It confuses the record if he answers at this point.

THE WITNESS: He and I are apparently opposed on this point.

By Mr. Anderson:

Q If the player moves the left-hand flipper button slightly and holds it still in a slightly depressed position, does the flipper bar continue to move across the screen, or does it go to a particular

1 slightly shifted position and sit there? It goes to a particularly slightly moved 2 position and stays there. 4 Is the flipper bar control actuating a 5 potentiometer inside the circuitry, do you know? 6 It really operates through a light source 7 and a photocell. 8 Which, in turn, changes the value of 9 resistance? 10 Right. The flipper button operates the 11 flipper bar into which is punched a hole. This hole 12 either intercepts or blocks out the light from the 13 cell. 14 And that interception, I gather, is a 15 gradual thing, not an on-off type of light intercep-16 tion? 17 It is gradual. 18 Q Is there a visible border around the game 19 playing area, or do the sides of the TV screen define 20 the borders of the playing field? 21 There is a visible display area on all four sides, with the exception of the bottom, which is

open, and which I referred to earlier as an out hole

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or an out passage.

A	No,	sir,	it	was	not.
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Q Was that a game that they developed and licensed you to make?

A Yes, sir.

Q Was Super Flipper a game which was completely developed by Model Racing and sold to you as a complete package, or was it a development arrangement between the two companies?

A It was completely packaged and sold to us as a completed game.

Q Is Model Racing Company of Ancona, Italy a manufacturer of video games, do you know?

A They have manufactured this one, and I think it could have been their first introduction into video games.

Q Have they distributed video games of U.S. companies in Italy, do you know?

A Up to -- actually, I don't know, Mr. Anderson.

Q For how long has Model Racing Company been a CDI distributing company in Italy?

A About a month, month and a half.

What contacts had CDI -- and when I say "CDI," I mean Chicago Dynamic.

A Right.

Q -- had CDI had with Model Racing prior to that first representation about a month ago?

A As I mentioned before, we did arrange a royalty agreement on Trapshoot, which was about a year and a half ago, two years ago.

Racing Company other than the recent distributorship and the arrangement on Trapshoot and the arrangement on Super Flipper?

A No, sir, not to my knowledge.

Q How did Super Flipper first come to Chicago Dynamic's attention?

by the name of Michael Barr, is increase contact with all our distributors and manufacturers throughout Europe. And as I recall the story, they had called Mike -- that is, Model Racing -- that they had Super-Flipper pretty well finished, and that he, Mike Barr, should make arrangements for somebody at CDI, if they could run over to Italy and look at this new game.

Q Did you go and look at it?

A Avron Gensburg want there, Mr. Anderson.

I have been there many times.

Q Is Chicago Dynamic presently insproduction on any video game; other than Super Flipper?

A No. sir.

Q Does Chicago Dynamic fabricate all of the subassemblies and component parts of the Super Flipper game themselves; or do they farm out some of the subassembly work?

A We are, on Super Flipper, actually making five of the PC boards, assembling them and testing them.

However, the three remaining boards -- and I'm speaking of the basic printed circuit boards - are made in Grayslake, sent to us, where we proceed to assemble components on them and inspect them.

Q When the boards are received by Chicago

Dynamic, do they have any components attached to them

at all?

A No. sir.

Q What is the name of the company in Grayslake, do you know?

A Gauldine.

Q G-A-L-D-E-E-N?

A G-A-U-L-D-I-N-E, Grayslake, Illinois.

Q Has Chicago Dynamic made other video games,

1 material on TV Pingame at all. 2 MR. THREEDY: I have it with me. 3 MR. ANDERSON: May we have that? 4 MR. THREEDY: Sure. 5 (Documents tendered.) 6 MR. ANDERSON: Did I ask, do you have similar 7 literature on the Super Flipper? 8 THE WITNESS: It's in the process of being 9 LEON M. GOLDING AND ASSOCIATES, CHICAGO printed. 10 MR. ANDERSON: You do not have anything here 11 today? 12 THE WITNESS: No, sir. 13 MR. THREEDY: I mentioned to Mr. Wayne Koci to 14 bring back tomorrow with him whatever he might have **15** on Super Flipper. I don't know whether they have a 16 perfected circuit or not. •17 MR. ANDERSON: All right. Before marking the 18 documents which you have handed me, Mr. Threedy, I 19 think I will have the reporter mark as Jerry Koci 20 Deposition Exhibit 1 the notice of taking deposition 21 addressed to Chicago Dynamic Industries under Rule 22 30 B 6 23 (The document above referred to was marked Jerry Koci Deposition Exhibit 24 No. 1 for identification.)

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By Mr. Anderson:

Q Mr. Koci, I place before you Exhibit 1 and ask you if you have ever seen that before, including the two attachments?

(Witness examining document.)

THE WITNESS: Yes, I have seen this.

MR. ANDERSON: Mr. Threedy, I understand that you have designated Mr. Jerry Koci, this witness, with respect to Paragraphs 3, 4 and 6 of Attachment A to the notice of deposition Exhibit 1.

MR. THREEDY: That's correct.

MR. ANDERSON: And that Mr. Wayne Koci is designated as to Paragraphs 1, 2 and 5, is that correct?

MR. THREEDY: That's correct. And also with respect to B, I believe.

MR. ANDERSON: And B is a request for production of documents, Mr. Koci. Have you produced documents here today in response to the request, Attachment B?

MR. THREEDY: Everything with the exception of the two licenses that he had mentioned, again, because we had not had a protective order, and I was not too sure of the relevancy at that time of it. But everything else that they have has been produced.

MR. ANDERSON: Now, you have handed us certain documents relating to Chicago Coin's TV Pingame.

Do you have any additional documents that respond to the four paragraphs of Attachment B that you will produce at this time?

MR. THREEDY: I think you have everything.

That's correct, I think you have everything.

You have had all the schematics, except for the TV

Pingame and now the Super Flipper. If one exists,

you will have it.

MR. ANDERSON: Included in the request were documents identified in Interrogatories 205 and 208 relating to Magnavox's Odyssey game.

MR. THREEDY: Right.

MR. ANDERSON: Are there any documents in those categories?

MR. THREEDY: There are none.

MR. ANDERSON: I will have the reporter mark as Jerry Koci Deposition Exhibit 2 a colored brochure having the title "Chicago Coin's TV Pingame."

(The document above referred to was marked Jerry Koci Deposition Exhibit No. 2 for identification.)

MR. ANDERSON: And I will have the reporter mark as Exhibit 3 a brochure entitled "Chicago Coin TV

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a ball image travels from right to left back and forth across the top of the screen directly underneath the two score displays.

On the player control panel is located a release, ball release button. Upon depressing this, the ball image then starts to move downward and across the screen.

There is a small red ball in the center of Q the screen shown in Exhibit 2 just under the numbers. Is that the ball?

Yes, sir.

And does it move back and forth at that horizontal level until the game is started by the player?

Yes, sir.

And then it moves down, and does it bounce against the red, green and blue targets?

Yes, sir.

Do you call those bumpers or flippers or anything of that sort?

They are called bumpers on the circular.

I see. And does the color of the bumper Q have anything to do with the way the game is played?

No, sir. A

paddle	to	the	right	t	he obje	ect b	eing, of	course
to pre	vent	the	ball	from	being	lost	through	the .
bottom opening.								

Q So if the ball strikes the paddle, it bounces back into the field?

A Yes, sir.

Q And if it doesn't, it disappears off the bottom?

A Right.

Q When the ball disappears off the bottom, what happens next?

A It registers one less ball on balls to be played.

The game is normally set to play on five balls per coin. When a player loses the ball through the bottom opening, the ball counter, of course, is changing from five to four until all five balls are played, which then again, the game reverts to a game over condition.

Q Is the balls to be played indicia at the upper left-hand corner of the screen?

A Yes, sir.

Q And what's the number at the upper righthand corner?

A		Those	are	games	or cred	its.	Each	t:	lme	you
insert	a	coin,	the	credit	numeral	steps	up	bу	one	•
· · · · · · · · · · · · · · · · · · ·				•						

Q As of February 5, 1975, was Chicago Coin making any other video game?

A No, sir.

MR. ANDERSON: I will have the reporter mark as
Jerry Koci Deposition Exhibit 4 a booklet stapled
together and identified as "TV Pingame Model 451
Schematic," and as Exhibit 5, a set of blueprint pages
bearing the top heading "451 TV Pingame," and comprising Pages Al and 1 through 7.

(The documents above referred to were marked Jerry Koci Deposition Exhibit Nos. 4 and 5, respectively, for identification.)

By Mr. Anderson:

Q Mr. Koci, I place before you Exhibit 4 and ask you if that is, to the best of your knowledge, the schematic diagram of Chicago Coin's TV Pingame?

A Yes, sir.

Q And it comprises many sub-diagrams. Is that the way that particular schematic was organized?

A Yes, sir.

Q Is there a single sheet in which they are all shown on one page, do you know?

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Do you now have the next generation video game at Chicago Coin under development or in embryonic production? No. sir. Do you know what the next generation is Q going to be at Chicago Coin? A Well, there seems to be a desire for driving games, such as Midway Wheels, Allied Street Burner, and my thinking is kind of being generated along those lines. Do you have any original literature or documents on the TV Goalee that we can use, rather than using Xeroxes? MR. THREEDY: Didn't I give you originals?

MR. ANDERSON: No, we have only Xeroxes.

THE WITNESS: But they got them originally.

MR. THREEDY: Yes, I think I gave you originals.

THE WITNESS: This is a second set.

MR. THREEDY: I gave you an original on everything that we had on each of the four or five games at that time.

MR. ANDERSON: Not to keep, I think, Ed. We have blueprints, good blueprints of the circuits, but not any of the colored material at all.

MR. THREEDY: I'm sorry. This is the set of documents (documents tendered.)

MR. ANDERSON: Would it be acceptable to mark the originals? You can retain it.

MR. THREEDY: All right.

MR. ANDERSON: All right. I would like the reporter to mark as Jerry Koci Deposition Exhibit 6 a colored brochure entitled "TV Goalee," as Exhibit 7, a book entitled "TV Goalee Model 434 Parts Catalog," as Exhibit 8, a circuit diagram entitled "TV Goalee," and as Exhibit 9, a collection of blueprints entitled "434 TV Goalee," and page numbers Al and 1 through 16.

(The documents above referred to were marked Jerry Koci Deposition Exhibit Nos. 6, 7, 8 and 9, respectively, for identification.)

By Mr. Anderson:

Q Mr. Koci, I would like to hand you Jerry
Koci Exhibits 6 through 9 and ask you if they are
documents published in the regular course of Chicago
Dynamic's business?

A Yes, sir.

And do they relate to the TV Goalee game that Chicago Dynamic made and sold from about April to August of 1974?

A Yes, sir.

Q Utilizing the colored one-page brochure, Exhibit 6, can you describe the display and how the game is played in TV Goalee?

A The display on the monitor depicts a soccer field.

These games come and go so fast, I will try and recall how it's played as accurately as I can.

Upon insertion of a coin, the ball image appears on the center dotted line. For player controls, we have what we normally refer to as joy sticks --

Q May I just interrupt? Does the ball, when it appears at the center dotted line, stand still or start to move?

- A Stands still.
- Q All right. Go ahead.

A As the player controls or moves his respective joy stick, he moves a paddle from right to left for the right-hand player and from left to right for the left-hand player.

The object of the game is to strike the ball with the paddle in a direction of the opponent's goal.

Moving the control joy stick too fast, wherein the paddle should strike the ball, it could,

	A	With	the	exce	ption	of	the	opp	onent	's gos	11;
he	cannot	enter	it	with	his	padd	lle,	and	vice	versa	L
for	the s	econd:	play	er.					•		

Q If the left-hand player attempts to move the paddle that he is controlling into the right-hand player's goal, what happens?

A The paddle stops at the outside perimeter of the goal. No matter how much he moves his joy stick, it will not enter the goal area.

Q And the goal area is a small rectangle -for the right-hand player's goal, I take it it is
on the left side, is that correct?

A Right.

Q And it's disposed right against the left edge of the playing field?

A Right.

Q And fills approximately the center third of the left-hand edge of the playing field?

A Right.

Q Now, can the left-hand player move his paddle both underneath and above the goal?

A No, sir, he cannot.

Q In other words, can he not go to the left of the right-hand edge of the goal, either above it

this is the left-hand player -- strikes the ball with

EON M. GOLDING AND ASSOCIATES, CHICAGO

of course, start directing the ball at the opponent's

goal.

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Q If a player strikes the ball and misses the goal but the ball continues on to hit either the top or the bottom border line or the end border line other than the goal area, what happens to the ball?

A I'm afraid I don't follow you. You want to restate that?

Q Yes. If a player hits the ball and it misses the goal but hits some other portion of the border of the field, what happens?

A I imagine you are talking about the righthand line above and below the goal area?

Q Yes, or the top line or the bottom line over the entire length of the field.

A The ball does not, as I recall, leave the playing area.

Q It bounces?

A No, it does not necessarily bounce. It's up to the opponent to get his paddle there and again direct it away from that area.

Q Well, if the ball hits, say, the bottom line of the field, does it leave, bounce or just sit there?

A I honestly can't recall.

MR. WAYNE KOCI: All three. It can do any one

10, a document entitled "Olympic TV Hockey," in color; as Exhibit 11, a booklet entitled "Olympic TV Hockey, Olympic TV Football Parts Catalog"; as Exhibit 12, a circuit diagram entitled "Olympic TV Hockey, Olympic TV Football"; and as Exhibit 13, a collection of pages entitled "429 Olympic TV Hockey," Pages Al and 1 through 13.

(The documents above referred to were marked Jerry Koci Deposition Exhibit Nos. 10, 11, 12 and 13, respectively, for identification.)

By Mr. Anderson:

Mr. Koci, do you wish to say something?

A Yes. I mentioned earlier that on Olympic TV Hockey, the other name for the European market was indicated as being called Olympic TV Soccer, which is in error, since in Europe they don't refer to the name "soccer" as we do in the States, but simply called the game "football." The game actually was called Olympic TV Football.

Q Mr. Koci, was the TV Goalee game developed at Chicago Dynamic?

A No, sir.

Q Who developed TV Goalee?

MR. THREEDY: If you know.

Q I will place before you Exhibits 10 through 13, which have been provided to us by Mr. Threedy as relating to Chicago Dynamic's Olympic Hockey.

Are those Exhibits 10 through 13 documents prepared and distributed by Chicago Dynamic?

A Yes, sir.

Q And were they distributed generally in the period of production of TV Hockey, November 28 of '73 through January sometime of '74?

A Yes, sir.

Q Can you just briefly describe how TV

Hockey is played, and perhaps primarily in contrast
to the other games that we have already talked about?

A Here again, Olympic TV Hockey and Football is a two-player game.

Upon inserting a coin, a ball image appears in the center of the screen and starts moving towards one of the opponent's goals. Under the control of the players are three paddles for each player. Moving the control knob to the left moves the three paddles under his control up and down on the vertical screen.

Q Were the three paddles that the left-hand player controlled the one in the right-hand goal and

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the two to the left of the center that were aligned vertically? No. which protects his goal. as it moved? Yes. sir. the game, if any? line on a hockey playing field.

The left-hand player, as I recall, controlled the three paddles on his side; that is, the two paddles in his zone area and the third paddle

Was his object to intercept the hockey puck

I notice a vertical line down the center of the TV screen. What function does that perform in

Oh, I imagine it simply depicts a center

Q Does it affect the travel of the ball or the puck?

No, sir.

I notice there is a horizontal line across the center of the TV screen. What function, if any, does that perform in the play of the game?

None at all, except it did indicate to the player that the two paddles simply moved from the lower portion of the screen up to that horizontal dotted line. The upper paddle, of course, started

Q Mr. Koci, you testified that the TV Goalee game was taken from a competitor.

Did you have any outside consultant or assistance with the design and development and production of the TV Goalee game?

A I don't recall.

Q With respect to TV Hockey, who designed or developed Chicago Dynamic's Olympic TV Hockey game?

A There again, I'm afraid it's a borrowed game. From whom, I have no recollection.

Q What was your involvement in the design or the development or the production of Olympic TV Hockey?

A Again, I managed the production and engineering.

Q How did the product first come to your attention?

A We make it a practice of keeping pretty well informed as to what competition is doing. As soon as we hear of a game at our distributor's office that is put out by a competitor, I usually make it a point or assign somebody to make it a point to review the game.

GOLDING AND ASSOCIATES, CHICAGO

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If it looks interesting enough, we do get a sample and look it over and proceed from there. Is that what happened with respect to TV

- To my recollection, that is what happened.
- Do you know what competitor's game it was

Could have been one of the West Coast out-

Has any competitor or other person or company charged Chicago Dynamic with improperly copying or borrowing from any of their games?

Are you referring to what you call video

- Was any outside consultant or other organization utilized in the design, development or
- Were the logic boards for TV Hockey or TV Goalee made by any outside concern, or were they made
 - Again, to my recollection, they were made

internally.

Q I will place before you the documents which the reporter has marked Jerry Koci Exhibits 14 through 17, and ask you if they are documents prepared and distributed in the ordinary course of the business of Chicago Dynamic?

(Witness examining documents.)

THE WITNESS: Yes, sir.

By Mr. Anderson:

Q Were they prepared and distributed generally in the period when TV Tennis was in production in August to November of '73?

A Yes, sir.

Q Can you just very briefly describe how TV Tennis is played and what the players see?

A TV Tennis was an evolution of the original Pong game, with the exception, instead of having two paddles, it is noted that there are four paddles on the TV screen.

Two players could play the game, or four.

Q If two players played, did the two paddles on the left move in accordance with one of the controls on the left?

A As I recall, if two people played, the left-

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hand player controlled one paddle. The second paddle on his side did not appear. And the right-hand player controlled the right-hand paddle. Upon inserting a second coin, in order to justify a four-player game, then the two additional inside paddles appeared. Did the participant control only up and down movement of the paddle? A Yes, sir. And was he attempting to intercept the ball in its travel? Yes, sir.

And when that happened, did the ball off of the paddle?

Yes, sir.

Q Did the ball bounce off the lines which show on the top and bottom of Exhibit 14?

Yes, sir.

Q Did the balls bounce off of the left and right edges of the TV screen under any conditions?

No, sir.

Q Not in play or when the machine was idle?

I don't recall if we had a loose ball floating around, if the game was idle.

Q What was the origin of the design for Chicago Dynamic's TV Tennis game? Was it internally designed?

A To my recollection, it was. It was simply adding two more paddles for the third and fourth player and two more controls which the third and fourth player operated.

Q Adding them to a game that you already had in the line?

A Pong, the original Ping Pong game.

Q Did you have Pong in production at Chicago Dynamic?

A We called it Ping Pong.

MR. ANDERSON: May I have the Ping Pong literature, Mr. Threedy?

MR. THREEDY: Sure.

MR. ANDERSON: I will ask the reporter to mark as Jerry Koci Deposition Exhibit 18 a photograph of a machine bearing the label "TV Ping Pong"; as Exhibit 19, a booklet entitled "TV Ping Pong Model 424 Parts Catalog"; as Exhibit 20, a circuit diagram entitled "IC Board Schematic TV Ping Pong"; and as Exhibit 21, a set of pages entitled "424 TV Ping Pong," Pages A1, A3, 1, 2, 2A and 3 through 5.

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make a TV game'	mak	e	a	TV	ga	me	?
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Oh, I would say two to three months after we were first made aware of the Pong game.

- Were you involved in the consideration of the manufacture of a TV game?
 - A Yes, sir.
 - What was your personal involvement?
- The president, Mr. Gensburg, confers with me on all these matters, and I agreed with him and with Mr. Avron Gensburg that perhaps we should get involved in TV games.
- Q What were the reasons for the decision to manufacture a TV game?
- In our industry, Mr. Anderson, any time we hear of any new machine that is enjoying any success and income, we, as a natural course of running our business, are made aware of it, and a decision is made whether or not to get into that area.
- And is that the way in which the TV Ping Pong Q game was considered?
 - Yes, sir. Α
- Do you know of the TV game made and sold by Q Magnavox called Odyssey?
 - Yes, sir.

what was done with the Odyssey game purchased by Chicago Dynamic by the other people who were involved with 1t, 1f you know?

A Do you want to restate that?

MR. ANDERSON: Would you read that back?

(The record was read.)

THE WITNESS: Not too much of anything. It was in an area that we didn't understand too much about it.

We looked at it, played a few games on it.

It ended up in my office behind a lounging chair until

Chuck had seen it there and desired to buy it.

By Mr. Anderson:

Q Were any of the people who reviewed it who you mentioned skilled in television design or digital logic at that time?

A No, sir.

Q Was the Odyssey game purchased in early '73 taken apart at all, do you know?

A I think the cover was removed, and we noticed three or four modules that apparently gave you different games. They were plugged in, and we played a number of games of the various types. That was the extent of our examination.

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By Mr. Anderson:

Q Was that Pong game acquired onsa purchase order?

I believe it was sent without a purchase order, but certainly, we covered it with a PO later on.

I would like to find out when that Pong was actually acquired. Would you please make a search to see what documents exist on the acquisition of that first Pong, letters or invoices or anything, and give them to Mr. Threedy?

There are no letters, but I certainly will look.

MR. ANDERSON: All right. Thank you.

Mr. Threedy, I think, subject to re-call after we see the agreements if there are any problems or areas of inquiry, I think we can now terminate Mr. Jerry Koci's deposition and resume about 1:30 with Mr. Wayne Koci, if that's all right.

MR. THREEDY: Fine. I have one question that I would like to put to him, if I may, notwithstanding the continuation of possibly his deposition, on crossexamination.

MR. ANDERSON: Sure.

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EXAMINATION

By Mr. Threedy:

Q Mr. Koci, do you recall what was the purchase price of the Odyssey game that CDI bought?

A No, I don't.

Let me modify that. I think at that time they were selling for \$99.75, and that could very well have been the price.

MR. THREEDY: Thank you.

MR. ANDERSON: Mr. Threedy, I would suggest that we follow the past practice and have each witness who testifies read his deposition and actually sign it before any notary public, without necessarily signing it before this reporter.

MR. THREEDY: Fine. That's agreeable.

Jerry C. Roci

before me this 24th day of November, A.D., 1975.

Katherine O. Yergy-Notary Public.

STATE OF ILLINOIS)
COUNTY OF C O O K)

I, Diane E. Norris, a notary public in and for the County of Cook and State of Illinois, do hereby certify that JERRY C. KOCI was by me first duly sworn to testify the whole truth and that the above deposition, signed by him, was recorded stenograph* ically by me, and was reduced to typewriting under my control and supervision.

I further certify that the said deposition was examined and read over by the said deponent and was signed by him in the presence of a notary public, and that the said deposition constitutes a true record of the testimony given by said witness.

I further certify that the said deposition was taken at the time and place specified herein, and that the taking of said deposition commenced on the 28th day of May, A.D., 1975.

I further certify that Mr. Theodore W.

Anderson and Mr. James Williams, of the firm of

Neuman, Williams, Anderson & Olson, of 77 West

Washington Street, Chicago, Illinois, and Mr. William

Streeter, Corporate Patent Counsel of The Magnavox

LEON M. GOLDING AND ASSOCIATES, CHICAGO

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Company, Fort Wayne, Indiana, appeared on behalfoof the Plaintiffs; and Mr. Donald L. Welsh. of the firm of Fitch, Even, Tabin & Luedeka, of 135 South LaSalle Street, Chicago, Illinois, appeared on behalf of Defendants Bally Manufacturing Corporation, Empire Distributing. Inc., and Midway Manufacturing Co.; and Mr. Edward C. Threedy, of the firm of Threedy & Threedy, of 111 West Washington Street, Chicago, Illinois, appeared on behalf of Defendant Chicago Dynamic Industries, Inc.; and Mr. Melvin M. Goldenberg, of the firm of McDougall, Hersh & Scott, of 135 South LaSalle Street, Chicago, Illinois, appeared on behalf of Defendants Seeburg Industries, Inc., The Seeburg Corporation of Delaware, Williams Electronics, Inc., and World Wide Distributors, Inc. Also present was Mr. Wayne Koci.

I further certify that I am not a relative or employee or attorney or counsel of any of the parties, or a relative or employee of such attorney or counsel, or financially interested directly or indirectly in this action.

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In witness whereof, I have hereunto set my hand and affixed my seal of office at Chicago, Illinois, this 17th day of My Commission expires December 21, 1975. LEON M. GOLDING AND ASSOCIATES, CHICAGO